

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 280

January 25, 2023

SUMMARY OF BILL: Increases, from \$300 to \$500, the maximum per diem allowable for commissioners of certain utility district boards in Morgan County and Roane County.

FISCAL IMPACT:

Increase Local Expenditures –

**Up to \$7,200/FY23-24 and Subsequent Years/Permissive/
Cumberland Utility District**

**Up to \$7,200/FY23-24 and Subsequent Years/Permissive/
Watts Bar Utility District**

**Up to \$12,000/FY23-24 and Subsequent Years/Permissive/
Plateau Utility District**

**Up to \$9,000/FY23-24 and Subsequent Years/Permissive/
Roane Central Utility District**

Assumptions:

- Tennessee Code Annotated § 7-82-308(a)(1), sets a maximum per diem rate of \$300 per meeting, for no more than 12 meetings per calendar year for utility districts. The board of commissioners sets the actual rate of per diem through adoption of a resolution by the board.
- The proposed legislation increases the rate of per diem allowable for commissioners of the following utility district boards: Cumberland Utility District (CUD), Plateau Utility District (PUD), Roane Central Utility District (RCUD), and Watts Bar Utility District (WBUD).
- The PUD's board of commissioners consists of five board members, while the boards of CUD, RCUD, and WBUD each have three members; every board meets 12 times per year.
- The CUD, PUD, and WBUD compensate commissioners \$300 per meeting. The proposed legislation will result in a maximum increase in per diem payments of \$200 (\$500 new maximum - \$300 current rate) per meeting, per commissioner.
- RCUD's per diem rate is \$250 per meeting. The proposed legislation will result in a maximum increase in per diem payments of \$250 (\$500 new maximum - \$250 current rate) per meeting, per commissioner.
- Any increase in local expenditures for increased per diem payments will be borne by the individual utility district.

- Beginning in FY23-24, there will be a recurring, permissive increase in local expenditures up to:
 - \$7,200 (\$200 maximum per diem rate increase x 12 meetings x 3 commissioners) for CUD and WBUD each;
 - \$12,000 (\$200 maximum per diem rate increase x 12 meetings x 5 commissioners) for PUD; and
 - \$9,000 (\$250 maximum per diem rate increase x 12 meetings x 3 commissioners) for RCUD.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- Increasing the rate of per diem for commissioners of certain utility districts will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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